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UNITED STATES FEDERAL COMMUNICATIONS COMMISSION

In Re Applications of:

READING BROADCASTING, INC.

For Renewal of License of
Station WTVE(TV), Channel 51
at Reading, Pennsylvania

ADAMS COMMUNICATIONS
CORPORATION

For Construction Permit for a New Television Station to Operate on Channel 51, Reading, Pennsylvania

MM Docket No. 99-153

File No.: BRCT-940407KF

File No.: BPCT-94063KG

File No.: BPCT-94063KG

Volume: 26 27

Pages: 2600 through 2689

Place: Washington, D.C.

Date: July 25, 2000

HERITAGE REPORTING CORPORATION

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In Re Applications of:) MM Docket No. 99-153 READING BROADCASTING, INC. File No.: BRCT-940407KF) For Renewal of License of Station WTVE(TV), Channel 51 at Reading, Pennsylvania and ADAMS COMMUNICATIONS File No.: BPCT-94063KG CORPORATION For Construction Permit for a New Television Station to Operate on Channel 51, Reading, Pennsylvania Room TW-A363 FCC 445 12th Street, N.W. Washington, D.C. 20554 Tuesday, July 25, 2000

The parties met, pursuant to the notice of the Judge, at 1:09 p.m.

BEFORE: HONORABLE RICHARD L. SIPPEL Administrative Law Judge

APPEARANCES:

On Behalf of Reading Broadcasting, Inc.:

THOMAS J. HUTTON, Esquire C. DENNIS SOUTHARD IV, Esquire Holland & Knight, LLP 2100 Pennsylvania Avenue, N.W. Suite 400 Washington, D.C. 20037-3202 (202) 955-3000

APPEARANCES: (Continued)

On behalf of Adams Communications Corp.:

HARRY F. COLE, Esquire Bechtel & Cole, Chartered 1901 L Street, N.W., Suite 250 Washington, D.C. 20036 (202) 833-4190

On Behalf of the Federal Communications Commission:

JAMES SHOOK, Esquire Federal Communications Commission Enforcement Bureau 445 12th Street, S.W. Washington, D.C. 20554 (202) 418-1448 INDEX

WITNESSES: DIRECT CROSS REDIRECT RECROSS DIRE

Micheal L. Parker --

Enforcement Bureau:

1 (Prev.) --

2 --

1	<u>PROCEEDINGS</u>
2	(1:09 p.m.)
3	JUDGE SIPPEL: Okay, we are on the record.
4	This is the afternoon session, July 25, return of
5	Mr. Parker.
6	I'm going to take appearances again. On behalf of
7	Reading?
8	MR. HUTTON: Thomas Hutton and Dennis Southard.
9	JUDGE SIPPEL: And on behalf of Adams?
10	MR. COLE: Harry Cole.
11	JUDGE SIPPEL: And the Bureau?
12	MR. SHOOK: James Shook.
13	JUDGE SIPPEL: I've got I just want to go over
14	a checklist of things that I expect are going to happen
15	today, and then I'm going to ask if there are any other
16	preliminary matters that anybody else has, and then we're
17	going to get through Mr. Parker.
18	First, of course, there is Mr. Parker's testimony,
19	we are going to consider receiving Exhibit 1 into evidence,
20	which has been marked for identification; a stipulation from
21	the Bureau on testimony, or not from the Bureau, but a
22	stipulation with respect to Bureau testimony; is that ready
23	to go?
24	MR. COLE: We are ready to roll, Your Honor.
25	JUDGE SIPPEL: Sanitized exhibit from the
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- 1 Telemundo testimony?
- MR. SHOOK: I reviewed the exhibit in question,
- and reviewed the testimony. It turns out there were only
- 4 two pages that were not referred to at all, and those two
- 5 pages had material on it that so far as I can see no one is
- 6 going to make any use out of it. So I'm not even going to
- 7 bother to submit the motion. I mean, the exhibit can come
- 8 in as it is and people can make whatever use of it they can
- 9 in accordance with Your Honor's ruling.
- JUDGE SIPPEL: All right. I don't recall, did I
- 11 receive that into evidence subject to striking it or
- 12 replacing it, or does it -- is it just marked but not
- 13 received?
- MR. SHOOK: So far as I recall, Your Honor, it is
- 15 received.
- JUDGE SIPPEL: That's what my recollection is, but
- 17 I don't have my notes with me.
- All right. Well, if it's not, then I will take
- 19 whatever I need to do appropriately to be sure that it is in
- as an exhibit, but my recollection is that it is an exhibit.
- 21 All right, then, let me strike that item.
- MR. COLE: Excuse me, Your Honor. Is that Exhibit
- 23 No. 52, Reading 52?
- JUDGE SIPPEL: Sound like that.
- MR. SHOOK: Yes.

- MR. COLE: According to my notes, and I'm just
- 2 reading from my notes, and I don't have anything more
- 3 reliable than that, it says, "Exhibit 52 to be redacted by
- 4 Bureau. Can we move that in on July 17? Okay, with Mr.
- 5 Shook." So that may not have been moved in. I don't know
- if you want to just take the precautionary measure of moving
- 7 it in now. I certainly have no objection to that.
- 8 JUDGE SIPPEL: Let me see what I have. This is a
- 9 Reading exhibit, is that correct?
- 10 MR. SHOOK: Yes.
- MR. SOUTHARD: Your Honor, it's my recollection
- 12 that it was entered into evidence subject to a further
- motion. And as I understand it now, Mr. Shook is not going
- 14 to make that further motion.
- 15 JUDGE SIPPEL: This is Ms. Swanson's notes, right.
- 16 Yes, my notes, I do now that you have given me the exhibit
- number, I do have my exhibit log with me, and it's been
- 18 received into evidence.
- MR. COLE: Thank you.
- JUDGE SIPPEL: Okay, thank you very much.
- The only thing left then is the dates for proposed
- 22 findings and conclusion. Have counsel discussed this
- 23 amongst themselves? Do you have a time frame in mind?
- MR. SHOOK: We have not, Your Honor, and as a
- 25 matter of fact, I guess I was hoping that before Your Honor

- 1 appeared that some discussions might happen, and they
- 2 didn't.
- JUDGE SIPPEL: They didn't.
- 4 MR. SHOOK: So it's up to Your Honor at this point
- 5 to set the dates and we all have to go with it.
- JUDGE SIPPEL: Anybody else have a comment on
- 7 that? I had some dates which I feel are generous, but does
- 8 anybody else have something specific in mind with this
- 9 because I want to leave here today with something
- 10 definitive?
- MR. COLE: My only concern, Your Honor, is I'm
- scheduled to be out of two for two weeks in August, which I
- don't know if that affects the generosity.
- JUDGE SIPPEL: Well, I have allowed for something
- 15 like that. I don't know if it's enough. But you are going
- to be gone for two weeks?
- 17 MR. COLE: I'll be gone for two weeks, yes.
- 18 JUDGE SIPPEL: All right. Does anybody else want
- 19 to --
- MR. HUTTON: I would just like to note that we do,
- 21 and I and Mr. Southard have other obligations that are going
- 22 to consume a certain amount of time.
- JUDGE SIPPEL: For other clients?
- MR. HUTTON: Yes.
- JUDGE SIPPEL: Well, they can wait, can't they?

1	(Laughter.)
2	MR. HUTTON: They have been waiting quite awhile.
3	JUDGE SIPPEL: All right.
4	MR. SHOOK: I have a week and a half where I will
5	be gone and probably some additional time for a soccer
6	tournament.
7	MR. SOUTHARD: I will also be out for probably a
8	week in August.
9	JUDGE SIPPEL: There is nothing you can do. You
10	can't fight August.
11	(Laughter.)
12	JUDGE SIPPEL: It's there.
13	Well, I was going to say September the 14th, but
14	what about September the 25th, which is a Monday? And the
15	reply pleading to come in on October the 20th, which is a
16	Friday.
17	Now, I know that there is a pending motion to add
18	additional issues against Adams, and I'm going to consider
19	after the round of pleadings is completed, I will consider
20	that very carefully. In the event that issue is added,
21	there will have to be, of course I've lost track of the
22	phase numbers. That will be Phase 4 or Phase 5. And then I
23	would require supplemental proposed findings on that issue.
24	And the reason is I'm just not going to let this slide any
25	further with respect to the main case that we have been

- dealing with since January because it's just going to get
- 2 stale, and it just can't wait any longer.
- 3 That's the long and short of what I have. Does
- 4 anybody else have anything more?
- 5 MR. SHOOK: Yes, Your Honor. Relative to the
- 6 motion that Reading had filed, I understand that Adams will
- 7 respond, and then there would be a period of time
- 8 afterwards, and then we would respond to both essentially.
- 9 Is that what Your Honor had in mind?
- JUDGE SIPPEL: I thought I had -- didn't I give
- 11 dates on that?
- MR. SHOOK: I think you did. I'm just confirming
- 13 that.
- 14 JUDGE SIPPEL: That's what I wanted to do.
- 15 MR. COLE: I don't recall that there was a
- separate day for Mr. Shook, but it certainly wouldn't
- 17 surprise me. I know I had a date.
- JUDGE SIPPEL: Well, okay, I'm with you on that.
- 19 I don't specifically recall that I broke it down, but that's
- 20 been the way that we have generally proceeded here, and it
- 21 certainly is the most helpful for me to get the Bureau's
- comments after all the round of pleadings are in. But I
- 23 thought -- yes?
- MR. SHOOK: All I am asking at this point is with
- that in mind, if I could have five business days after Mr.

- 1 Cole submits his response.
- MR. COLE: And on that point, Your Honor, I spoke
- 3 with Mr. Hutton this morning. I thought I would ask on the
- 4 record today if I could have a four business day extension
- 5 from next Monday to next Friday. The opposition is done on
- 6 the 31st, Monday, and I would just like to take until
- 7 Friday, if I could. Mr. Hutton had no objection, was kind
- 8 enough to consent, and I didn't have a chance to ask Mr.
- 9 Shook about that.
- MR. SHOOK: And then that would make my pleading
- 11 the following Friday.
- JUDGE SIPPEL: All right, then that would -- let
- me see if I have this straightened out here.
- 14 August the 4th will be the opposition. Now, wait
- a minute. Who is asking for this issue? You are asking for
- this issue, so you have to have reply time.
- 17 MR. HUTTON: That's right.
- JUDGE SIPPEL: So you are going to oppose on the
- 19 4th.
- MR. SHOOK: Oh, you wish me to wait until they
- 21 have responded, until Reading has responded?
- JUDGE SIPPEL: Yes, I would.
- MR. SHOOK: Oh.
- JUDGE SIPPEL: Yes, I would.
- Is there an objection to that?

- MR. SHOOK: No, sir. Just so long as we all
- 2 understand how it's going to work.
- JUDGE SIPPEL: I would like to Bureau to take a
- 4 look at it in its -- the full deck, and the comment on it.
- 5 So August 4th is the opposition. Then what do you need for
- 6 a reply? I'm going to be generous to your other clients.
- 7 But not too generous. How much time do you need?
- 8 MR. HUTTON: Two weeks?
- JUDGE SIPPEL: Wow. I shouldn't have asked that
- 10 one.
- MR. HUTTON: Well, it's normally five business
- days plus three -- well, five business days. And I'm
- 13 suggesting 10 business days.
- JUDGE SIPPEL: All right. I will give you until
- 15 August the 18th. And then Mr. Shook has August the 25th.
- MR. SHOOK: The 18th is --
- 17 JUDGE SIPPEL: He said he wants two weeks.
- 18 MR. SHOOK: Right. The only thing is that I'm out
- of the office from -- I'm out of the office Monday, August
- 20 13, and I don't return to the office until the following
- 21 Wednesday. So if I could have five business days from the
- 22 first day I get back.
- JUDGE SIPPEL: Sure. You're getting back on what
- 24 day? The 4th? Oh, I see. You want five business --
- MR. SHOOK: I'm getting back on the 22nd, which is

- 1 a Wednesday, I believe. So if I could have until the
- 2 following Wednesday, the 29th.
- JUDGE SIPPEL: The 29th. The following Wednesday
- 4 is the 30th.
- 5 MR. SHOOK: Okay, whatever that day is, the 30th.
- 6 JUDGE SIPPEL: All right, give you until August
- 7 30th. Well, that takes care of the month of August
- 8 certainly. Well, I think, under the circumstances it's
- 9 reasonable, as long as we understand clearly, and we do
- 10 understand clearly, that that is not going to delay the
- 11 proposed findings coming in on the 25th.
- 12 All right, then that's it. Is there anything
- 13 else?
- 14 MR. COLE: Would you rather do the stipulation now
- 15 or at the end?
- 16 JUDGE SIPPEL: I think I would rather wait until
- 17 the end. Is that alright? Does anybody have any problem
- 18 with that? There is nothing in the stipulation that is
- 19 going to bear on this testimony.
- MR. COLE: No.
- 21 JUDGE SIPPEL: Okay, let's go forward. Let's have
- 22 Mr. Parker come forward.
- Would you raise your right hand?
- 24 //
- 25 //

1	Whereupon,
2	MICHEAL L. PARKER
3	having been duly sworn, was called as a witness
4	and was examined and testified as follows:
5	JUDGE SIPPEL: Be seated.
6	MR. HUTTON: Your Honor, one preliminary matter
7	that I wanted to raise, and that is that in the course of
8	questioning Mr. Parker about Enforcement Bureau Exhibit 1,
9	there may come up some questions about Mr. Topel's role and
10	any advice Mr. Topel gave.
11	I have no objection to any such questions if we
12	can agree that today's testimony would not constitute a
13	waiver of the attorney/client privilege by Reading
14	Broadcasting.
15	JUDGE SIPPEL: Has there been any discussion
16	before about this?
17	MR. HUTTON: No, we have not specifically raised
18	this with the other parties. We just focused on this this
19	morning.
20	JUDGE SIPPEL: All right. Well, let me ask the
21	Bureau what the Bureau thinks.
22	MR. SHOOK: Your Honor, I hope that most, if not
23	all, of my questions are simply focusing on Mr. Parker's
24	understanding and Mr. Parker's intent. I don't have any
25	intention of inquiring about anybody else's intent,

- especially one of his attorneys. If it happens to come out
- in testimony, so be it, but that's not where I intend to go.
- JUDGE SIPPEL: Well, I think the scenario, the
- 4 scenario I would envision would be to ask him a question
- about something that's in the document with respect to his,
- 6 you know, in whatever context, whether he wrote it or agreed
- 7 with it or whatever, and then in the context of answering
- 8 that Mr. Topel comes up, and you would have no objection to
- 9 that.
- 10 Well, I'm sorry. I phrased that the wrong way.
- 11 You would stipulate that for purposes of today's proceeding,
- 12 it would not constitute a waiver of the privilege, the
- 13 question he's asking.
- Do you want to think a little bit and then --
- 15 MR. SHOOK: Well, with respect to the particular
- 16 answer to the particular question, I would think that it
- would be available as evidence regardless of whether Mr.
- 18 Topel's name was mentioned.
- 19 JUDGE SIPPEL: He is concerned about a waiver.
- 20 That's what this is all about.
- MR. SHOOK: Well, in terms of in the future trying
- 22 to get something further or develop something further as a
- consequence of Mr. Topel's name or advice being mentioned in
- 24 today's testimony, I have no current intention of seeking
- anything with respect to that.

1	I intend to ask questions of this witness today,
2	and let it rest with whatever comes out today.
3	JUDGE SIPPEL: Mr. Cole.
4	MR. COLE: Your Honor, I am very uncomfortable
5	contemplating declaratory evidence rulings. My
6	understanding of evidentiary rulings is that there is a
7	specific question on the table, and before an answer comes
8	out either an objection is made or a privilege is asserted.
9	And at that point, in the context of whatever the specific
10	question and likely answer are Your Honor can make a ruling.
11	I, frankly, don't understand the notion of
12	contemplated testimony about attorney/client communications
13	which are then supposed to be covered by an anticipatory
14	waiver. My understanding has been that if the witness
15	wishes to assert the privilege, well, that's the witness's
16	right to do. But if on the other hand the witness testifies
17	about otherwise privileged communications, that's the
18	witness's call because it's the witness's privilege and the
19	witness can waive it. And if the witness chooses to testify
20	about it, then the witness has waived it.
21	Now, if Mr. Hutton is again, I'm not sure I
22	understand the complete scope of Mr. Hutton's request. If
23	he is suggesting that actual testimony about attorney/client
24	communications which is given in court today may be deemed
25	after the fact privileged and somehow immune from, and I'm

- 1 not sure what the result of a post-hoc privilege would be,
- 2 then I object to that.
- If what he has in mind some concern about the
- 4 long-term effect of testimony, for example, Mr. Parker might
- 5 testify about X, Y or Z communication with Mr. Topel, if Mr.
- 6 Hutton is concerned about that being deemed at some future
- 7 point a waiver of all privilege relative to any
- 8 communication between Topel and Parker, well, I can
- 9 certainly understand that, and I can agree that waivers for
- 10 today's purposes would not necessarily constitute a blanket
- waiver of all attorney/client privilege with respect to
- 12 Topel/Reading communications.
- But obviously, you know, as I said in my opening
- 14 statement, you know, I'm uncomfortable taking a fixed
- 15 position on this at this point because I don't know, you
- 16 know, where the evidence is going to go, what the guestions
- 17 are going to be, where the privilege may or may not be
- asserted and what the ultimate effect may be.
- So I apologize for not taking a hard stand in
- front of Your Honor, but those are my thoughts right now.
- 21 JUDGE SIPPEL: You want to respond to this, Mr.
- 22 Hutton?
- MR. HUTTON: Well, it just seems to me that if Mr.
- 24 Cole could agree with Mr. Shook's position, that would
- probably be satisfactory. If he can't or won't, then I

- think I'll just have to caution the witness to bear in mind
- 2 the risk of disclosing attorney/client confidences in
- 3 responding to questions.
- I think Mr. Cole's position -- well, I hadn't
- 5 anticipated that there would be any broad-base waiver of the
- 6 attorney/client communications between Mr. Topel and Mr.
- 7 Parker. It had to do with communications relating to the
- 8 preparation of this letter. And if Mr. Cole is not willing
- 9 to agree that such testimony today would not be deemed a
- 10 waiver, then again I would just have to caution the witness
- 11 to bear that in mind in responding to questions.
- JUDGE SIPPEL: Well, I think we are just going to
- have to take this one step at a time. I mean, I think you
- 14 are going to have to make a -- the witness is going to have
- 15 to make a concerted decision if there is an objection
- because of an attorney/client privilege, then the witness is
- 17 going to have to be asked whether or not he's going to
- 18 assert the privilege or answer the question unless it
- 19 reaches a point -- unless the nature of the question is such
- that we are able to, or the parties here will be able to
- 21 agree with you that it will not constitute a waiver.
- I agree with Mr. Cole to the degree that it's just
- 23 premature. This is going to be a little bit slower. But we
- are just going to have to take it one question at a time.
- All right, other than that is there anything more?

1	MR.	COLE:	Nothing	here,	Your	Honor.
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- JUDGE SIPPEL: All right, it's your witness then,
- 3 Mr. Shook.
- 4 CROSS EXAMINATION
- 5 BY MR. SHOOK:
- 6 Q Mr. Parker, I see you are at the table and there
- 7 is nothing in front of you, so the first thing we have to do
- 8 is remedy that situation.
- In an obtuse way I'm asking your counsel to place
- 10 before you what has been marked for identification as
- 11 Enforcement Bureau Exhibit No. 1.
- 12 A I wrote two dates on it, so apart from that it's
- 13 your exhibit.
- 14 Q Mr. Parker, I would direct your attention
- initially to page 11 of the exhibit and ask whether or not
- 16 you can identify the signature that appears to be there?
- 17 A Yes, that is my signature.
- 18 Q Now, I believe the copy you have in front of you
- 19 has redactions on pages 1 through 6.
- 20 A That is correct.
- 21 Q Did you send an unredacted copy of this letter to
- 22 Ms. Gaulke?
- 23 A Yes, I did.
- Q On or about the date noted on the front of the
- 25 letter?

- 1 A Yes, I did.
- Q Did you indicate that she rely on the information
- 3 in the letter?
- 4 A Yes.
- 5 Q Did you understand at the time you sent this
- 6 letter that Ms. Gaulke would use the information to conduct
- 7 a due diligence review of the status of WTVE?
- 8 A That was essentially what she had communicated to
- 9 me, yes.
- 10 Q Was this letter prepared to assist in any
- 11 valuation of WTVE?
- 12 A That's a hard question for me to answer because
- 13 Ms. Gaulke was -- clearly, I was attempting through this or
- during this period of time negotiating with her on the
- 15 purchase of a minority interest in Reading Broadcasting for
- 16 Telemundo. And she requested the due diligence materials
- 17 outlined in the letter.
- But what I'm not sure whether she did that for
- 19 purposes of valuation or more internal discussions with the
- 20 other Telemundo management about the issues that confronted
- 21 Reading Broadcasting.
- 22 Q So that I understand your previous answer, when
- you talked about -- when you made reference to purchasing a
- 24 minority interest, are you referring to Telemundo's purchase
- of your interest?

- A I believe that I was offering at the time, I would
- 2 have to go back, but I believe I was offering Reading
- 3 Broadcasting stock which would not have been my interest.
- 4 It would have diluted my interest along with everyone else.
- 5 I believe that was the case.
- 6 Q And then at the end of the transaction or the
- 7 possible transaction Telemundo was going to hold a minority
- 8 interest in Reading?
- 9 A That is correct.
- 10 Q I'd like you to turn to page 9, please.
- 11 A Yes.
- 12 JUDGE SIPPEL: Just so we are clear, you know,
- this document has only been identified.
- MR. SHOOK: I understand.
- 15 JUDGE SIPPEL: Okay.
- 16 MR. SHOOK: I was going to determine whether or
- 17 not to move it into evidence following the examination.
- JUDGE SIPPEL: No, I appreciate that, but when you
- 19 referred to it initially with the witness, I think you
- 20 referred to it as Exhibit 1. It's only for identification.
- 21 I want to be sure the witness understand that.
- 22 MR. SHOOK: I believe I made reference to that.
- JUDGE SIPPEL: All right, maybe you did.
- MR. SHOOK: So we are all clear.
- JUDGE SIPPEL: So be it.

1	BY MR. SHOOK:
2	Q Now, I would like to direct your attention to the
3	last full paragraph or excuse me the last paragraph.
4	It appears on page 9 and carries over to page 10. And
5	focusing on the information that appears in the first
6	sentence of that paragraph, it's a rather long sentence, I
7	will read it.
8	"In the referenced San Bernadino, California
9	proceeding to select the licensee of a television channel
10	which had become vacant, the FCC Review Board upheld the
11	finding by an administrative law judge that I was an
12	undisclosed real party in interest to the application of San
13	Bernadino Broadcasting Limited Partnership, arising wholly
14	from events which occurred in 1983, in 1984," and then what
15	follows is the citation.
16	Is that sentence accurate, to the best of your
17	knowledge?
18	A You have to look at that sentence in context with
19	the previous paragraphs in that in this letter I was
20	explaining to Ms. Gaulke that Mr. Shurberg had raised
21	certain issues in the proceedings in Hartford, and that the
22	attorneys for Mr. Shurberg were the same attorneys that
23	represented Adams Communication, that is, Mr. Paul and his
24	firm; and that I expected they would raise the same issues.
25	This paragraph his accurate in terms of the issue
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- that they raised as well as the preceding paragraph, and I
- 2 think it goes on for additional paragraphs outlining the
- 3 issues that they raised.
- 4 The accuracy of those is what we have been
- 5 debating here back and forth, and clearly, this isn't my
- 6 position. This was the position that was raised by Mr.
- 7 Shurberg in Hartford and has since been raised by Adams
- 8 Communications as I predicted in this letter to Ms. Gaulke.
- 9 Q Let me make sure I understand something.
- You make reference to Shurberg, and I believe the
- 11 previous paragraph --
- 12 A Yes.
- 14 makes reference to Mr. Shurberg, correct?
- 15 A That is correct.
- 16 O And that that paragraph sets forth Shurberg's
- 17 contentions, correct?
- 18 A That is correct.
- 19 Q On the other hand, if I am reading the following
- 20 paragraph, that doesn't make any reference to Shurberg, does
- 21 it?
- 22 A Well, again, I suppose if I were rewriting it for
- 23 the purposes of this hearing, I would have made it more
- 24 clear. But in terms of the flow of this letter, if you look
- 25 at it, I outlined in the preceding paragraph the issues that

- 1 Shurberg had raised in general, and then went through the
- 2 specifically in the last paragraph on page 9, the follow-on
- 3 to that paragraph on page 10, and basically the next two
- 4 paragraphs. I followed the order of the Shurberg paragraph
- on page 9 and going back and reviewing each in more detail.
- But clearly, what I was trying to outline from a
- 7 security standpoint you put forward your worst case
- 8 scenario, that is, your obligation is to tell someone you
- 9 are trying to have buy all the bad things that can go wrong.
- Here, I was outlining what Shurberg had raised,
- 11 what those issues were.
- Now, later in the letter I did come back and say I
- 13 thought there were defenses to that, but clearly here I was
- 14 outlining Shurberg's position, which I predicted would be
- 15 Adams' position, and I believe that that was an accurate
- 16 prediction.
- 17 O Well, that's very enlightening, but at the same
- 18 time I believe an answer, the answer to my question really
- 19 is just yes or no. And that is --
- 20 A Okay.
- 21 Q -- whether that first sentence is accurate.
- 22 A I'm sorry. Well, the first sentence is accurate
- 23 in that's what Shurberg alleged. That is -- the answer to
- 24 your question then would be yes.
- Is that what I believe transpired? The answer

- 1 would be no.
- Q Help me then. What should have been or what is
- 3 the accurate -- what is an accurate way of casting this
- 4 sentence then if -- if as I understand your answer that
- 5 there is some inaccuracy there?
- 6 A Well, we have been arguing, I believe, the point
- of whether the review board upheld all the findings of the
- 8 administrative law judge or whether he only upheld them in
- 9 terms of awarding integration credit, and I think it's -- in
- 10 my belief that in fact the review board only went so far as
- 11 the integration credit.
- 12 O So, in other words, when we look at the sentence,
- the part of the sentence that reads, "The FCC Review Board
- 14 upheld the finding by an administrative law judge that I was
- an undisclosed real party in interest, " if we just focused
- 16 on that, are you telling me that that portion of the
- sentence needs to be rewritten in order to make it accurate?
- 18 A No. No. Again, that is clearly the position that
- 19 Mr. Shurberg took. It is clearly the position that Adams
- 20 Communication has taken. And in the context of the
- 21 disclosure for securities purposes, it is an accurate
- 22 statement.
- 23 Again, I would point out that in the preceding
- 24 paragraph I outlined by number the issues, and then the
- 25 follow-on paragraphs went through each of those in the same

- order expanding on them. Those were the positions taken by
- 2 Shurberg in Hartford. And from a securities standpoint, it
- 3 would be the worst case scenarios.
- 4 Q Well, I want to explore that a little bit with
- 5 you. As I understand it from your answer, you are pointing
- 6 out that in the previous paragraph Shurberg had contended
- 7 that, in 1986, you were found by an FCC administrative law
- 8 judge to be an undisclosed principal.
- 9 A Mm-hmm.
- 10 Q Do you see that?
- 11 A I do, yes.
- 12 Q Now, in the next paragraph, however, you will note
- that Mr. Shurberg's name does not appear in the sentence,
- 14 and what the letter is referring to is what the FCC Review
- 15 Board did.
- 16 Do you see that?
- 17 A Well, I -- I believe it goes on. You have to read
- 18 the next paragraph on the next page. It does talk about the
- 19 administrative law judge's decision.
- Q Well, let me stop you there.
- With respect to the next sentence, which I will
- read, "Although I was retained only to serve as a consultant
- 23 (a role which I believe I fulfilled), the administrative law
- judge concluded that my selection of the general partner,
- 25 the applicant, recruitment of the financial interests as